



ARIZONA HOUSE OF REPRESENTATIVES

HB 2191: NOW: angel investor; tax credit cap

Legend:

ACA – Arizona Commerce Authority
Amendments – **BOLD** and ~~Stricken~~ (Committee)

PRIME SPONSOR: Representative Cobb, LD 5

BILL STATUS: [Senate Engrossed](#)

Senate 3rd Read: (21-7-2)

Strike-Everything Amendment Abstract

Relating to the angel investor tax credit.

Provisions

1. Authorizes an additional \$10 million in Angel Investment Tax Credits beginning July 1, 2017 through June 30, 2021.
 - a. Prohibits the ACA from authorizing more than \$2.5 million in tax credits in any FY, plus any unused credit capacity carried forward from the prior year.
2. Makes technical and conforming changes. (Sec. 1)

Current Law

The Small Business "Angel" Investment Credit was established in 2005 to provide tax credits for investments in qualified small businesses certified by the ACA. In order to qualify for a tax credit, a taxpayer must submit an application, in person, to ACA within 30 days after making an investment of at least \$25,000. A tax credit granted under the program may equal as much as 35% of the original investment if the investment is made in a bioscience or rural company and may equal as much as 30% of an investment made in any other qualified small business. The tax credit is claimed over a period of three years and may be carried-forward for up to three years. When a qualified business receives \$2 million in investments, further investments in that business are no longer eligible for the credit. ([A.R.S. § 41-1518](#)).

The credit is limited to \$20 million through FY 2021, but taxpayers may claim the authorized credits on their tax returns through TY 2024. Any expired or unused credits are added to the authorized dollar limit. According to JLBC, the \$20 million credit cap was reached in June 2015.

☐ Prop 105 (45 votes) ☐ Prop 108 (40 votes) ☐ Emergency (40 votes) ☐ Fiscal Note